

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year To Date	Preceding Year Corresponding Period	%
	31/3/2015 RM'000	31/3/2014 RM'000		31/3/2015 RM'000	31/3/2014 RM'000	
Revenue	228,288	191,814	19.0%	678,083	569,771	19.0%
Cost of sales	(180,599)	(150,906)	19.7%	(537,525)	(462,908)	16.1%
Gross Profit	47,689	40,908	16.6%	140,558	106,863	31.5%
Other operating income	10,469	1,590	558.4%	29,570	9,170	222.5%
Administrative expenses	(18,753)	(14,265)	31.5%	(54,012)	(36,758)	46.9%
Operating Profit	39,405	28,233	39.6%	116,116	79,275	46.5%
Finance costs	(1,444)	(1,060)	36.2%	(4,218)	(3,479)	21.2%
Profit before taxation	37,961	27,173	39.7%	111,898	75,796	47.6%
Taxation	(768)	(1,675)	-54.1%	(1,772)	(4,349)	-59.3%
Profit for the period	37,193	25,498	45.9%	110,126	71,447	54.1%
Profit for the year attributable to:						
Owners of the parent	38,078	24,966	52.5%	112,158	70,429	59.2%
Non-controlling interests	(885)	532	-266.4%	(2,032)	1,018	-299.6%
	37,193	25,498	45.9%	110,126	71,447	54.1%
Other comprehensive income/(loss), net of tax:						
Foreign currency translation differences for foreign operations	6,705	(76)	100%	9,037	(791)	100%
Total comprehensive income for the year	43,898	25,422	72.7%	119,163	70,656	68.7%
Total comprehensive income attributable to:						
Owners of the parent	44,783	24,890	79.9%	121,195	69,638	74.0%
Non-controlling interests	(885)	532	-100%	(2,032)	1,018	-100%
	43,898	25,422	72.7%	119,163	70,656	68.7%

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	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current	Preceding Year	Current Year	Preceding Year
	Year	Corresponding	To Date	Corresponding
	Quarter	Quarter		Period
	<u>31/3/2015</u>	<u>31/3/2014</u>	<u>31/3/2015</u>	<u>31/3/2014</u>
Earnings per share attributable to owners of the parent (sen) ⁽²⁾				
Basic	5.69	5.19	18.62	15.21
Diluted	5.42	4.02	15.33	11.74

- (1) The condensed unaudited consolidated statement of other comprehensive income are prepared based on the consolidated results of Inari Amertron Berhad and its subsidiaries for the current quarter ended 31 March 2015.
- (2) Basic earnings per share for the quarter and cumulative financial period is calculated based on the profit for the period divided by the weighted average number of ordinary shares in issue for the quarter and financial year respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2015

	Individual Quarter Ended		Cumulative Period Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
The following items have been included in arriving at profit before tax: -				
(Reversal)/Allowance for slow moving inventories	(1,596)	1,169	(1,300)	1,169
Amortisation of development cost	243	23	644	85
Depreciation	8,165	5,915	22,434	16,295
Deferred income reversal/(recognized)	141	(469)	-	(727)
Property, plant and equipment written off	-	-	1	10
Loss/(Gain) on disposal of property, plant & equipment	25	(70)	(21)	(70)
<u>(Gain)/Loss on foreign exchange translation</u>				
- Realised	(6,359)	(2,518)	(11,108)	(4,663)
- Unrealised	(490)	3,637	(9,648)	(488)
<u>Finance costs</u>				
- Interest expenses	1,444	1,060	4,218	3,479
- Interest income	(1,177)	(302)	(2,319)	(497)

There is no income/expenses in relation to the below items:

- Bad debt written off;
- (Gain) / loss on derivatives;
- (Gain) / loss on disposal of quoted or unquoted investment;
- Investment income;
- Impairment of assets;
- Provision for doubtful debts;
- Stock losses;

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Unaudited As at 31 March 2015 RM'000	Audited As at 30 June 2014 ⁽⁴⁾ RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	162,160	129,761
Deferred tax assets	5,072	4,324
Development costs	7,067	6,168
Intangible assets	7,203	5,066
	<u>181,502</u>	<u>145,319</u>
Current assets		
Inventories	139,888	137,832
Trade and other receivables	136,768	137,314
Tax recoverable	98	39
Short-term deposits with licensed banks	167,522	19,630
Cash and bank balances	94,284	57,041
	<u>538,560</u>	<u>351,856</u>
TOTAL ASSETS	<u>720,062</u>	<u>497,175</u>
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	72,230	51,607
Share premium	228,184	77,425
Other reserves	16,604	7,670
Retained profits	194,516	121,470
Equity attributable to owners of the parent	<u>511,534</u>	<u>258,172</u>
Non-controlling interests	<u>(1,637)</u>	<u>395</u>
Total equity	<u>509,897</u>	<u>258,567</u>
Non-current liabilities		
Borrowings	21,876	18,567
Redeemable preference shares	39,772	39,031
Deferred rental	-	292
Deferred cash consideration	5,783	5,006
Deferred tax liabilities	5,128	2,993
Retirement benefits obligations	2,943	2,820
	<u>75,502</u>	<u>68,709</u>
Current liabilities		
Trade and others payables	92,217	120,089
Borrowings	42,060	36,431
Provision for taxation	386	3,237
Dividend payable	-	10,142
	<u>134,663</u>	<u>169,899</u>
Total liabilities	<u>210,165</u>	<u>238,608</u>
TOTAL EQUITY AND LIABILITIES	<u>720,062</u>	<u>497,175</u>
Net assets per share attributable to owners of the parent ⁽⁴⁾ (RM)	0.7082	0.5003

Notes:

- (3) Based on the issued and paid up share capital of 722,302,502 (516,067,770) ordinary shares of RM0.10 each for the financial period ended 31 March 2015 (30 June 2014).
- (4) Net assets per share attributable to owners of the parent is computed based on Total Shareholders' Funds (excluding Non- controlling interests) divided by the total number of ordinary shares in issue.
- (5) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year as at 30 June 2014 and the accompanying explanatory notes attached to the interim financial report.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA – COMPANY NO. 1000809-U)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015

	----- Attributable to Owners of the Parent -----							-----Non-Distributable -----			Distributable
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Discount on Shares RM'000	Capital Reserve RM'000	Share option Reserve RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
At 1 July 2014	51,607	77,425	6,542	(6,542)	5,387	3,432	(1,149)	121,470	258,172	395	258,567
Total comprehensive income for the year	-	-	-	-	-	-	9,037	112,158	121,195	(2,032)	119,163
Transactions with owners:-											
<i>Issued, at premium pursuant to:</i>											
Rights issue	7,870	110,181	27,771	(27,771)	-	-	-	-	118,051	-	118,051
Exercise of warrants	12,402	34,098	(6,053)	6,053	-	-	-	-	46,500	-	46,500
Exercise of ESOS	351	6,480	-	-	-	(1,693)	-	-	5,138	-	5,138
Pursuant to ESOS granted:											
Share-based compensation	-	-	-	-	-	1,590	-	-	1,590	-	1,590
Dividends	-	-	-	-	-	-	-	(39,112)	(39,112)	-	(39,112)
	20,623	150,759	21,718	(21,718)	-	(103)	-	(39,112)	132,167	-	132,167
Balance at 31 March 2015	72,230	228,184	28,260	(28,260)	5,387	3,329	7,888	194,516	511,534	(1,637)	509,897
At 1 July 2013	44,299	54,700	11,387	(11,387)	5,387	-	(32)	53,584	157,938	(784)	157,154
Total comprehensive income for the year	-	-	-	-	-	-	(791)	70,429	69,638	1,018	70,656
Transactions with owners:-											
<i>Issued, at premium pursuant to:</i>											
Exercise of warrants	5,205	14,574	(3,521)	3,521	-	-	-	-	19,779	-	19,779
Employee share option granted	-	-	-	-	-	2,077	-	-	2,077	-	2,077
Employee share option exercised	41	739	-	-	-	(179)	-	-	601	-	601
Dividends	-	-	-	-	-	-	-	(18,926)	(18,926)	-	(18,926)
	5,246	15,313	(3,521)	3,521	-	1,898	-	(18,926)	3,531	-	3,531
Balance at 31 March 2014	49,545	70,013	7,866	(7,866)	5,387	1,898	(823)	105,087	231,107	234	231,341

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2015

	Cumulative Quarter 9 Months Ended <u>31/3/2015</u> RM'000	Cumulative Quarter 9 Months Ended <u>31/3/2014</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	111,898	75,796
Adjustments for:		
(Reversal)/Allowance for slow moving stocks	(1,300)	1,169
Amortisation of development costs	644	85
Property, plant and equipment written off	1	10
Gain on disposal of property, plant and equipment	(21)	(70)
Depreciation	22,434	16,295
Dividend on Redeemable Preference Shares	2,368	1,963
Deferred income (recognised)/reversal	-	(727)
Interest income	(2,319)	(497)
Interest expenses	1,850	1,516
Share based payments	1,590	2,077
Unrealised gain on foreign exchange	(9,648)	(488)
Operating profit before working capital changes	127,497	97,129
Increase in inventories	(756)	(30,552)
Increase in receivables	(201)	(37,039)
Decrease in payables	(15,813)	(15,273)
Cash generated from operations	110,727	14,265
Income tax paid	(635)	(861)
Interest received	2,319	497
Interest paid	(1,850)	(1,516)
Net cash generated from operating activities	110,561	12,385
CASH FLOWS FROM INVESTING ACTIVITIES		
Development cost	(1,543)	(2,839)
Investment in subsidiaries	(25,607)	-
Proceeds from disposal of property, plant and equipment	(742)	-
Purchase of property, plant and equipment	(24,834)	(27,574)
Net cash used in investing activities	(52,726)	(30,413)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(49,254)	(11,612)
Dividend on Redeemable Preference Shares	(1,598)	(1,963)
Redemption on Redeemable Preference Shares	(3,676)	-
Proceeds from government grant	-	1,927
Net changes in short term borrowings	5,629	12,582
Net changes in long term borrowings	3,309	5,541
Proceeds from Rights Issue with Warrants	118,051	-
Proceeds from exercise of warrants	46,500	19,779
Proceeds from ordinary shares pursuant to exercise of ESOS	5,138	601
Net cash generated from financing activities	124,099	26,855
NET INCREASE IN CASH AND CASH EQUIVALENTS	181,934	8,827
Effect of changes on foreign exchange rates	3,414	(223)
CASH AND CASH EQUIVALENT AT BEGINNING	75,070	44,566
CASH AND CASH EQUIVALENT AT END	260,418	53,170
Represented by:		
Short-term deposits with licensed banks	167,522	649
Cash and bank balances	94,284	53,764
Fixed deposit pledged to bank	(393)	-
Bank overdraft	(995)	(1,243)
	260,418	53,170

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(INCORPORATED IN MALAYSIA – COMPANY NO. 1000809-U)

NOTES TO THE REPORT

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2014.

2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30th June 2014 except for the adoption of the following new/revised Malaysian Financial Reporting Standards (“MFRSs”) and Amendments to MFRSs issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2014:

Amendments to MFRSs and IC Int

MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies
Amendments to MFRS 119	Defined Benefit Plans : Employee Contributions
Amendments to MFRSs	Annual improvements to MFRSs 2010-2012 Cycle
Amendments to MFRSs	Annual improvements to MFRSs 2011-2013 Cycle

The adoption of the above new/revised MFRSs and Amendments to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were not subject to any qualification.

4. Comments About Seasonal or Cyclical Factors

The Group's present earnings base is not subject to any material seasonal or cyclical changes.

5. Unusual Items Due to their Nature, Size or Incidence

During the financial period under review, there were no items of unusual nature, size, or incidence which affect assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

6. Changes in Estimates

There were no changes in the estimates of amounts which give a material effect in the current quarter under review.

7. Debt and Equity Securities

The issued and paid up share capital increased from RM51,606,777 to RM72,230,250 by the allotment of 206,234,732 new ordinary shares of RM0.10 each pertaining to the followings:

- i. Issuance of 78,700,515 rights shares of RM0.10 each at an issue price of RM1.50 per rights share together with 78,700,515 free warrants on the basis of one (1) rights share together with one (1) warrant for every eight (8) Inari shares. These warrants are convertible into ordinary shares at an exercise price of RM2.00 per share.
- ii. Exercise of 3,516,000 share options under the ESOS at the following exercise prices;

<i>Exercise price (RM)</i>	<i>1.34</i>	<i>1.49</i>	<i>2.00</i>	<i>2.18</i>
<i>No of shares issued</i>	<i>1,272,400</i>	<i>2,087,800</i>	<i>87,800</i>	<i>68,000</i>

- iii. Exercise of 124,018,217 warrants at the following exercise prices:

<i>Exercise price (RM)</i>	<i>0.33</i>	<i>0.38</i>	<i>2.00</i>
<i>No of shares issued</i>	<i>12,632,482</i>	<i>111,383,084</i>	<i>2,651</i>

Other than the above, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

8. Dividend Paid

In respect of the financial year ending 30 June 2015, the Company: -

- i. on 25 November 2014, declared the first single tier interim dividend of 1.80 sen plus a special dividend of 0.40 sen per ordinary share of RM0.10 each amounting to RM13.7 million, and was paid on 2 January 2015.
- ii. on 4 February 2015, declared the second single tier interim dividend of 1.80 sen plus a special dividend of 0.50 sen per ordinary share of RM0.10 each amounting to RM14.6 million, and was paid on 17 March 2015.

In respect of the financial year ended 30 June 2014, the Company: -

- iii. on 26 August 2014, declared the fourth single tier interim dividend of 1.80 sen per ordinary share of RM0.10 each amounting to RM10.8 million, and was paid on 13 November 2014.
- iv. on 21 May 2014, declared the third single tier interim dividend of 1.20 sen plus a special dividend of 0.80 sen per ordinary share of RM0.10 each amounting to RM10.1 million, and was paid on 3 July 2014.
- v. on 20 February 2014, declared the second single tier interim dividend of 1.10 sen plus a special dividend of 0.40 sen per ordinary share of RM0.10 each amounting to RM7.31 million, and was paid on 11 April 2014.
- vi. on 26 November 2013, declared the first single tier interim dividend of 1.10 sen plus a special dividend of 0.40 sen per ordinary share of RM0.10 each amounting to RM7.08 million, and was paid on 16 January 2014.

9. Segmental Information

Business segments

The Group has only one reportable business segment that is its manufacturing of electronic products segment. As such, no operating segment information is prepared.

Geographical information

Revenue information based on the geographical location of customers is as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31/3/2015	Quarter Ended 31/3/2014	Year to date 31/3/2015	Year To date 31/3/2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	27,160	29,077	80,063	92,565
Singapore	196,125	156,981	584,594	450,780
Others	5,003	5,756	13,426	26,426
	<u>228,288</u>	<u>191,814</u>	<u>678,083</u>	<u>569,771</u>

10. Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

11. Subsequent Events

There were no material events subsequent to the current financial period ended 31 March 2015 and up to the date of this report, which affects substantially the results of the operation of the Group.

12. Changes in the Composition of the Group

On 9 September 2014, the Company announced that it had completed the share subscription of 399,900 new ordinary shares of RM1.00 each in Inari Semiconductor Labs Sdn. Bhd. ("ISL") (formerly known as Hektar Haruman Sdn. Bhd.) for a total subscription price of RM399,900. Consequently, ISL became a 99.975% owned subsidiary of the Company and the Company assumed total liabilities of RM25.5 million owed by ISL.

ISL owns 100% equity interest in Dufu Dyna-Edge Sdn. Bhd. (now known as Hektar Teknologi Sdn. Bhd.), which in turn is the registered owner of 5.513 acre of leasehold land with a 2 storey factory building located at Plot 98, Hala Kampung Jawa 1, Non Free Industrial Zone, Bayan Lepas Industrial Park, 11900 Bayan Lepas, Pulau Pinang ("the Factory"). The Factory has a total built up area of approximately 166,000 square feet and is presently free from all liens, charges and encumbrances.

On 24 December 2014, the Company acquired the remaining 0.025% shareholding of ISL for a total consideration of RM100, making it a wholly owned subsidiary.

Other than the above, there were no other changes in the composition of the Group during the current quarter and financial period.

13. Contingent Liabilities and Contingent Assets

The Company provides corporate guarantees amounting to RM146.3 million (as at 31 March 2014: RM166.5 million) to licensed banks and financial institutions for credit facilities granted to certain subsidiaries, and to RPS holders in respect of the RPS issued by a subsidiary. Consequently, the Company is contingently liable for the amounts of facilities utilised by these subsidiaries totaling RM117.3 million (as at 31 March 2014: RM82.7 million).

There is no contingent assets as at the date of this report.

14. Capital Commitments

Contractual commitments not provided for in the interim financial statements as at 31 March 2015 are as follows: -

	Cumulative Period ended	
	31/3/2015 RM'000	31/3/2014 RM'000
Property, plant and equipment	17,024	7,284

15. Significant Related Party Transactions

There is no significant transaction with related parties.

Part B – Additional Information as Required By the Main Market Listing Requirement of Bursa Securities

1. Review of Performance

Comparison with the corresponding period in the previous year

The Group posted a significant improvement in performance for the third quarter of FY2015 as compared to the corresponding quarter in the preceding year.

Total revenue was RM228.3 million for the current quarter, an increase of RM36.5 million or 19.0% as compared to the corresponding quarter in the previous year. The higher revenue was mainly due to higher trading volumes, in particular, the Radio Frequency business due to the continued increase in demand for smartphones and mobile devices.

The Group reported a higher profit before tax of RM38.0 million for the current quarter, an increase of RM10.8 million or 39.7% over the pre-tax profit of RM27.2 million recorded for the corresponding quarter ended 31 March 2014. The higher pre-tax profit was mainly attributable to the increase in revenue and favourable foreign exchange gain during the current quarter.

In line with the increase of the profit before tax, the Group's net profit after tax increased by 45.9% to RM37.2 million for the current quarter as compared to RM25.5 million for the corresponding quarter ended 31 March 2014.

Comparison with the immediate preceding quarter

The Group reported revenue of RM228.3 million in this quarter, representing a slight increase of 0.2% from the revenue of RM227.9 million reported in the immediate preceding quarter.

The profit before tax for the period of RM38.0 million was lower by 5.1% as compared to RM40.0 million recorded in the preceding quarter, mainly attributed to a slightly lower forex gain achieved this quarter as compared to the immediate preceding quarter.

Financial Period to Date against preceding year corresponding financial period

The Group's total revenue of RM678.1 million for the nine months ended 31 March 2015 represents an increase of RM108.3 million or 19.0% as compared to RM569.8 million reported in the previous corresponding period of the preceding year. The higher revenue was mainly due to higher trading volumes, in particular the Radio Frequency business due to the continued increase in demand for smartphones and mobile devices.

The profit before tax improved by RM36.1 million or 47.6% to RM111.9 million from RM75.8 million in the previous corresponding period of the preceding year, mainly attributable to the increase in revenue coupled with the favourable USD forex during the financial period under review.

2. Commentary on Prospects

The global semiconductor industry is expected to grow from USD334.6 billion in 2014 to USD389.4 billion in 2019, registering a CAGR of 3.1%. In line with the growth in the broader semiconductor industry, the global revenue of Optoelectronic semiconductors is forecast to rise 10% in 2015 to a record high at USD34.8 billion after growing 8% in 2014 to USD31.6 billion. IC Insight's new report shows this growth continuing to 2019 with the Optoelectronics sector projected to grow by a CAGR of 6.9%.

Inari Amertron will continue to integrate and improve the operating margins of our Optoelectronics business and continue to ride the growth of the mobile smart device market. The successful completion of our Rights Issue at the end of February 2015 puts the Group into a stronger financial position. The proceeds from the Rights Issue will enable the Group to increase the manufacturing capacity, in particular, at the new P13 plant. Work on starting up production in P13 began in the current quarter and we expect P13 production to begin contributing modestly to the Group's revenue and gross profit in the 4th quarter FY2015.

Barring any unforeseen circumstances, we are optimistic in maintaining our financial performance in-line with industry growth numbers and poised to continue delivering positive performance for the remaining period of FY 2015.

3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee previously in any public document.

4. Taxation

The taxation charges for the current financial quarter and the cumulative financial period ended 31 March 2015 are as follows: -

	Individual Quarter ended		Cumulative Period ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
In respect of current period: -				
- Current tax	(1,102)	(1,339)	(1,797)	(3,997)
- Deferred tax	-	16	-	-
	(1,102)	(1,323)	(1,797)	(3,997)
Over/(Under) provision in prior year: -				
- Current tax	334	(352)	25	(352)
	(768)	(1,675)	(1,772)	(4,349)

The effective tax rate of the Group for the current financial quarter and the cumulative financial period ended 31 March 2015 is lower than the statutory tax rate of 25% as certain subsidiaries have been granted pioneer status under the Promotion of Investment Act, 1986.

5. Sale of Unquoted Investments and Properties

There were no sale of unquoted investment or properties during the current financial quarter.

6. Purchase or Sale of Quoted Securities

There were no purchases or sales of quoted securities during the current financial quarter.

7. Status of Corporate Proposals

On 4 July 2014, the Company proposed to undertake a renounceable rights issue of up to 88,825,648 new ordinary shares of RM0.10 each (“Rights Shares”) together with up to 88,825,648 free detachable warrants (“Warrants”) at an indicative issue price of RM1.50 per Rights Share on the basis of one (1) Rights Share for every eight (8) existing ordinary share of RM0.10 each held in Inari together with one (1) Warrant for every one (1) Rights Share subscribed at an entitlement date to be determined later.

On 11 November 2014, the Rights Issue with Warrants has been approved by the shareholders at an Extraordinary General Meeting.

The Rights Issue with Warrants has been completed on 26 February 2015 following the listing of and quotation for the following securities on the Main Market of Bursa Securities:

- (i) 78,700,515 Rights Shares issued pursuant to the Rights Issue with Warrants;
- (ii) 78,700,515 Warrants issued pursuant to the Rights Issue with Warrants; and
- (iii) 1,204,301 new additional Warrants 2013/2018 arising from the adjustment to the number of outstanding Warrants 2013/2018 pursuant to the Rights issue with Warrants.

There is no other corporate proposal announced but not completed as at date of this report.

8. Status of Utilisation of Proceeds

The Company received proceeds of RM118.05 million from the issuance of 78,700,515 Rights Shares at the issue price of RM1.50 per ordinary share, and the proceeds have been utilised in the following manner as at 31 March 2015: -

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance unutilised
1. Expansion of production capacity, including acquisition of land, acquisition of factory, and extension of existing factory	31,344	-	31,344
2. Acquisition of equipment and machinery relating to the existing core business	30,000	-	30,000
3. Repayment of bank borrowings	20,000	-	20,000
4. Working Capital	34,443	-	34,443
5. Expenses for the Rights Issue with Warrants	2,264	2,105	159
Total	118,051	2,105	115,946

9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2015 are as follows: -

	Short Term RM'000	Long Term RM'000	Total RM'000
Term loans	31,513	6,015	37,528
Trade financing	1,535	-	1,535
Finance lease liabilities	7,012	15,861	22,873
Total Borrowing (secured)	40,060	21,876	61,936
NCIA loan*	2,000	-	2,000
Total Borrowings	42,060	21,876	63,936

* Being interest free loan provided by Northern Corridor Implementation Authority ("NCIA")

10. Disclosure pursuant to implementation of MFRS 139: Recognition and Measurement

With the adoption of MFRS 139 Financial Instruments: Recognition and Measurement, off balance sheet financial instruments are now recognized in the financial statements.

The Group does not have any contracts involving off balance sheet risk as at the end of the reporting period and the date of this Report.

11. Material Litigation

The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

12. Dividend

The directors propose the third single tier interim dividend of 2.10 sen per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2015. The entitlement and payment dates are 5 June 2015 and 3 July 2015 respectively.

Total dividend for the financial year ending 30 June 2015 and financial year ended 30 June 2014 are summarized as follow: -

	Net Per Share FY2015 (sen)	Net Per Share FY2014 (sen)
<u>First Interim Dividend</u>		
Single tier dividend	1.80	1.10
Special dividend	0.40	0.40
<u>Second Interim Dividend</u>		
Single tier dividend	1.80	1.10
Special dividend	0.50	0.40
<u>Third Interim Dividend</u>		
Single tier dividend	2.10	1.20
Special dividend	-	0.80
<u>Fourth Interim Dividend</u>		
Single tier dividend		1.80
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	6.60	6.80
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13. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share for the current financial quarter and period to date have been calculated by dividing the net profit attributable to shareholders of the Company for the financial quarter and period to date by the weighted average number of ordinary shares in issue during the financial quarter and period to date.

	Individual Quarter ended		Cumulative Period ended	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and period to date (RM'000)	38,078	24,966	112,158	70,429
Weighted average number of ordinary shares in issue ('000)	669,768	481,151	602,337	462,904
Basic earnings per share (sen)	5.69	5.19	18.62	15.21

(b) Diluted earnings per share

Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that warrants are exercised at the beginning of the financial period and ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Period ended	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and period to date (RM'000)	38,078	24,966	112,158	70,429
Weighted average number of ordinary shares (basic) ('000)	669,768	481,151	602,337	462,904
Effect of dilution due to warrants ('000)	25,931	136,250	121,700	135,793
Effect of dilution due to ESOS ('000)	7,492	3,390	7,637	1,071
Weighted average number of ordinary shares (diluted) ('000)	703,191	620,791	731,674	599,768
Diluted earnings per share (sen)	5.42	4.02	15.33	11.74

13. Disclosure of realised and unrealised profit/loss

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of unappropriated profits as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants.

The Group's retained profits as at 31 March 2015 and 31 March 2014 are analysed as follow:-

	Cumulative Period ended	
	31/3/2015 RM'000	31/3/2014 RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	224,772	114,123
- Unrealised	7,928	(1,507)
	<u>232,700</u>	<u>112,616</u>
Add: Consolidated adjustments	(38,184)	(7,529)
	<u>194,516</u>	<u>105,087</u>
Total Group retained profits as per consolidated financial statements		